

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 90-063-M
GAS OF KENTUCKY, INC.)	

O R D E R

On October 10, 1990, in Case No. 90-063, the Commission approved certain adjusted rates for Columbia Gas of Kentucky, Inc. ("Columbia") and provided for their further adjustment on a periodic basis in accordance with its gas cost adjustment ("GCA") clause.

On August 2, 1994, Columbia filed its GCA to be effective September 1, 1994.

After reviewing the record and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's notice proposed revised rates designed to pass on its expected wholesale increase in gas costs. Columbia's proposed expected gas cost ("EGC") for the period beginning September 1, 1994 is \$4.2705.

2. Columbia's notice set out a rate for Banking and Balancing Service of 2.10 cents per Mcf.

3. Columbia's notice set out a fixed charge refund adjustment that was approved in its last GCA to return take-or-pay over-collections to its customers. The adjustments of (10.82) cents per Mcf for sales customers and (7.37) cents per Mcf for

transportation customers reflect corrections to interest calculations, so that they correspond to the approved 12-month refund period as opposed to the 24-month period that was originally proposed.

4. Columbia's notice set out its actual cost adjustment ("ACA") of 11.0 cents per Mcf to be effective September 1, 1994.

5. Columbia had no amounts to return or collect through its balancing adjustment ("BA"). Columbia's notice set out no BA.

6. Columbia's notice contained a refund adjustment to return supplier refunds of \$788,803, including interest, to its customers. The total refund adjustment of 30.62 cents per Mcf reflects the current refund as well as the previous quarter refund adjusted for 12 months' interest.

7. Columbia's notice set out a Special Agency Service refund adjustment of .05 cent per Mcf.

8. These adjustments produce a gas cost recovery rate of \$3.9656, 15.45 cents per Mcf more than the prior rate.

9. The revised rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied on and after September 1, 1994.

10. Columbia's notice contained a request for confidential treatment of information filed as back-up for its purchases of spot market gas. Publication of such information is likely to cause competitive injury to Columbia and should be protected.

IT IS THEREFORE ORDERED that:

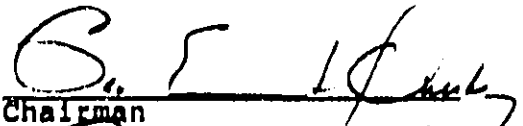
1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for gas supplied on and after September 1, 1994.

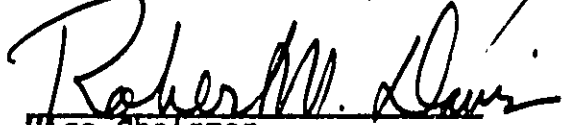
2. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

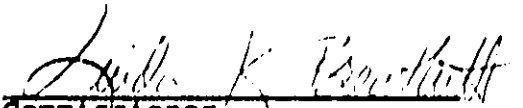
3. Columbia's request for confidential treatment of its spot market purchase data is hereby approved.

Done at Frankfort, Kentucky, this 1st day of September, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-063-M DATED September 1, 1994

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

CURRENTLY EFFECTIVE BILLING RATES

<u>RATE SCHEDULE GS</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment</u> \$ <u>1</u> /	<u>Total Billing Rate</u> \$
First 1 Mcf or less per Mo.			
Residential	7.45	3.9656	11.4156
Commercial or Industrial	16.34	3.9656	20.3056
Next 49 Mcf per Mo.	1.6872	3.9656	5.6528
Next 150 Mcf per Mo.	1.6378	3.9656	5.6034
Next 200 Mcf per Mo.	1.5886	3.9656	5.5542
<u>Delivery Service</u>			
<u>Demand Charge</u>			
Demand Charge times Firm Mcf Volume in Customer Service Agreement		10.3854	10.3854
Volumetric Rate	1.5886	(.0737)	1.5149
Banking & Balancing Service		.0210	.0210
<u>RATE SCHEDULE FI</u>			
Customer Charge	135.79		135.79
<u>Customer Demand Charge</u>			
Demand Charge times Firm Mcf Volume in Customer Service Agreement		10.3854	10.3854
Commodity Charge-All Volume	.5573	3.9656	4.5229
<u>Delivery Service</u>			
Volumetric Rate	.4861	(.0737)	.4124
Banking & Balancing Service		.0210	.0210

RATE SCHEDULE IS

Customer Charge	135.79		135.79
Commodity Charge	.5573	3.9656	4.5229
<u>Delivery Service</u>			
Volumetric Rate	.4861	(.0737)	.4124
Banking & Balancing Service		.0210	.0210

RATE SCHEDULE IUS

For all Volumes Delivered			
Each Month	.1735	3.9656	4.1391
<u>Delivery Service</u>			
Volumetric Rate	.1735	1.3247	1.4982
Banking & Balancing Service		.0210	.0210
<u>Delivery Service - Mainline</u>			
For All Volumes Delivered	.1000		.1000
Banking & Balancing Service		.0210	.0210

- 1/ The Gas Cost Recovery Rate, as shown, is an adjustment per Mcf determined in accordance with the Semi-Annual Gas Cost Adjustment Clause as set forth on Sheets 80 through 82 of this tariff.